



CITY OF ALAMEDA • CALIFORNIA

SPECIAL MEETING OF THE CITY COUNCIL
WEDNESDAY - - - JULY 26, 2006 - - - 6:30 P.M.

Time: Wednesday, July 26, 2006 6:30 p.m.

Place: City Council Chambers Conference Room, City Hall, corner
of Santa Clara Avenue and Oak Street

Agenda:

1. Roll Call

2. Public Comment on Agenda Items Only

Anyone wishing to address the Council on agenda items only,
may speak for a maximum of 3 minutes per item

3. Adjournment to Closed Session to consider:

3-A. CONFERENCE WITH REAL PROPERTY NEGOTIATORS

Property: 2900 Main Street

Negotiating parties: City of Alameda and Alameda Gateway,
Ltd.

Under negotiation: Price and terms

4. Announcement of Action Taken in Closed Session, if any

5. Adjournment

Beverly Johnson, Mayor



CITY OF ALAMEDA • CALIFORNIA

SPECIAL JOINT MEETING OF THE CITY COUNCIL

AND COMMUNITY IMPROVEMENT COMMISSION

WEDNESDAY - - - JULY 26, 2006 - - - 7:00 P.M.

Location: **City Council Chambers**, City Hall, corner of Santa Clara Avenue and Oak Street

Public Participation

Anyone wishing to address the Council/Commission on agenda items may speak for a maximum of 3 minutes per agenda item when the subject is before the Council/Commission. Please file a speaker's slip with the Deputy City Clerk if you wish to speak.

PLEDGE OF ALLEGIANCE

ROLL CALL

MINUTES

Minutes of the Special Joint City Council, Alameda Reuse and Redevelopment Authority, and Community Improvement Commission (CIC) Meetings held on July 5, 2006, and Special CIC Meetings held on July 5, 2006 and July 14, 2006. (City Clerk)
[Community Improvement Commission]

AGENDA ITEMS

1. A. Recommendation to award Design-Build Contract in the amount of \$9,104,000 to C. Overaa & Co. for the Civic Center Parking Garage, CIP No. 90-19;
- B. Recommendation to award Construction Contract in the amount of \$8,800,000 to C. Overaa & Co. for Rehabilitation and Restoration of the Historic Alameda Theater;
- C. Adoption of Resolution Authorizing the Execution of U.S. Department of Housing and Urban Development (HUD) Contract for Loan Guarantee Assistance Under Section 108 of the Housing and Community Development Act of 1974, as Amended, 42 U.S.C. Section 5308; Execution of Brownfields Economic Development Initiative (BEDI) Grant Agreement; and Issuance of Section 108 Loan Guarantee Program Variable Rate Note; and recommendation to authorize execution of Cooperation Agreement between the City and Community Improvement Commission; and
- D. Adoption of Resolution Authorizing the Summary Vacation of a Portion of the Central Avenue Public Right-of-Way

- pursuant to Chapter 4 of the Streets and Highways Codes.
(Development Services)
2. Recommendation to authorize substitution of Surety Bond
for 2003 Merged Area Bond Issue Cash Reserve Account
consistent with Bond Indenture. (Development Services)

ADJOURNMENT

Beverly Johnson, Mayor
Chair, Community Improvement
Commission

- For use in preparing the Official Record, speakers reading a written statement are invited to submit a copy to the City Clerk at the meeting or e-mail to: lweisige@ci.alameda.ca.us
- Sign language interpreters will be available on request. Please contact the City Clerk at 747-4800 or TDD number 522-7538 at least 72 hours prior to the Meeting to request an interpreter
- Equipment for the hearing impaired is available for public use. For assistance, please contact the City Clerk at 747-4800 or TDD number 522-7538 either prior to, or at, the Council Meeting
- Accessible seating for persons with disabilities, including those using wheelchairs, is available
- Minutes of the meeting available in enlarged print
- Audio Tapes of the meeting are available upon request
- Please contact the City Clerk at 747-4800 or TDD number 522-7538 at least 48 hours prior to the meeting to request agenda materials in an alternative format, or any other reasonable accommodation that may be necessary to participate in and enjoy the benefits of the meeting

UNAPPROVED MINUTES
MINUTES OF THE SPECIAL JOINT CITY COUNCIL,
ALAMEDA REUSE AND REDEVELOPMENT AUTHORITY (ARRA), AND
COMMUNITY IMPROVEMENT COMMISSION (CIC) MEETING
WEDNESDAY- -JULY 5, 2006- -5:30 P.M.

Mayor/Chair Johnson convened the Special Joint Meeting at 5:40 p.m.

ROLL CALL - Present: Councilmembers / Board Members /
Commissioners Daysog, deHaan, Gilmore,
Matarrese, and Mayor/Chair Johnson - 5.

Absent: None.

The Special Joint Meeting was adjourned to Closed Session to consider:

ARRA Conference with Real Property Negotiators; Property: Alameda Naval Air Station; Negotiating parties: ARRA and Navy; Under negotiation: Price and terms.

(06- CC) Conference with Labor Negotiators; Agency Negotiators: Craig Jory and Human Resources Director; Employee Organizations: Alameda City Employees Association, International Brotherhood of Electrical Workers, and Management and Confidential Employees Association.

(06- CC) Conference with Property Negotiators; Property: Fruitvale Railroad Bridge; Negotiating parties: City of Alameda and Army Corp. of Engineers; Under negotiation: Price and terms.

Mayor/Chair Johnson called a recess at 7:40 p.m. to hold the Regular Meeting and reconvened the Special Joint Meeting at 9:56 p.m.

(06- CIC) Conference with Legal Counsel - Existing Litigation; Name of case: Community Improvement Commission v. Cocores Development Company.

(06- CC) Conference with Legal Counsel - Anticipated Litigation; Initiation of litigation pursuant to subdivision (c) of Section 54956.9; Number of cases: One.

Following the Closed Session, the Special Joint Meeting was reconvened and Mayor/Chair Johnson announced that regarding Alameda Naval Air Station, direction was given to Real Property

Negotiators; regarding Conference with Labor Negotiators, Council received a briefing from Labor Negotiators and gave direction on settlement parameters; regarding Fruitvale Railroad Bridge, Council received a briefing from Real Property Negotiators and gave direction to Negotiator; regarding Existing Litigation, the CIC received a briefing from Legal Counsel and gave direction on settlement parameters; and regarding Anticipated Litigation, Council received briefing from Legal Counsel and gave direction.

Adjournment

There being no further business, Mayor/Chair Johnson adjourned the Special Joint Meeting at 12:30 a.m.

Respectfully submitted,

Lara Weisiger, City Clerk
Secretary, Community Improvement
Commission

The Agenda for this meeting was posted in accordance with the Brown Act.

UNAPPROVED MINUTES

MINUTES OF THE SPECIAL JOINT CITY COUNCIL, ALAMEDA REUSE AND REDEVELOPMENT AUTHORITY, AND COMMUNITY IMPROVEMENT COMMISSION MEETING WEDNESDAY- -JULY 5, 2006- -7:31 P.M.

Mayor/Chair Johnson convened the Special Joint Meeting at 9:00 p.m.

ROLL CALL - Present: Councilmember/Board Members/Commissioners
Daysog, deHaan, Gilmore, Matarrese, and
Mayor/Chair Johnson - 5.

Absent: None.

MINUTES

(06- CC/06- CIC) Minutes of the Special Joint City Council, Community Improvement Commission, Alameda Reuse and Redevelopment Authority, and Housing Authority Board of Commissioners Meeting held on June 20, 2006, and the Special Joint City Council, Alameda Reuse and Redevelopment Authority, and Community Improvement Commission Meeting held on June 20, 2006. Approved.

Councilmember/Board Member/Commissioner Matarrese moved approval of the minutes.

Councilmember/Board Member/Commissioner deHaan seconded the motion, which carried by unanimous voice vote - 5.

AGENDA ITEMS

(06- CC/06- CIC) Discussion of City Attorney//General Counsel Legal Services and staffing options.

Mayor/Chair Johnson stated she was reluctant to add positions; the Administrative Management Analyst's duties are a Council priority; she does not want to increase staff, but there is a rational for the position; freezing positions was not done strategically in the past; expanding the number of employees is not the intended direction even if the Council/Commission decides to fill the position; reviewing staffing levels is a long-term process.

Councilmember/Board Member/Commissioner deHaan stated he has concerns about filling the position; the task should be handled by various departments; he is still working through the process of where the position sits; he prefers to have the position closer to

the operational side; he is concerned with the job title; Management Analyst would be more appropriate; he realizes there is a deficit.

Mayor/Chair Johnson stated there should be a review on whether Risk Management should be in the City Attorney's office.

Councilmember/Board Member/Commissioner deHaan stated there is an immediate need; an organizational chart was requested; inquired whether the matter could be held over for one more meeting.

The City Attorney/Legal Counsel responded in the affirmative; stated the position is in the recommended budget; the matter could be held over, and no action would be taken.

Councilmember/Board Member/Commissioner deHaan stated holding the matter over would provide an opportunity for additional review.

Mayor/Chair Johnson requested an explanation of the position's duties and a review on how other cities handle workers' compensation.

Councilmember/Board Member/Commissioner deHaan concurred with Mayor/Chair Johnson.

Vice Mayor/Board Member/Commissioner Gilmore noted the staff report states that the position is not a General Fund position; inquired whether the position actually would be a General Fund position because other departments funded by the General Fund would pay for the position, to which the City Attorney/Legal Counsel responded in the affirmative.

The City Manager/Executive Director stated a portion comes from other funds as well.

Mayor/Chair Johnson and Councilmember/Board Member/Commissioner Matarrese suggested continuing the matter.

Councilmember/Board Member/Commissioner deHaan concurred with Mayor/Chair Johnson and Councilmember/Board Member/Commissioner Matarrese with the caveat that the position not be excluded from the budget.

Mayor/Chair Johnson stated on-going, strategic review is needed.

Councilmember/Board Member/Commissioner Matarrese stated the Council/Commission needs to be provided with an organization chart,

an outline of other duties the position might serve, and a rational for the position being where it is now along with some possible alternatives when the matter returns.

(06- CC) Resolution No. 13899, "Approving and Adopting the Operating Budget for Fiscal Year 2006-2007 and Appropriating Certain Moneys for the Expenditures Provided in Said Fiscal Year." Adopted;

(06- CIC) Resolution No. 06-144, "Approving and Adopting the Operating Budget for Fiscal Year 2006-2007 and Appropriating Certain Moneys for the Expenditures Provided in Said Fiscal Year." Adopted; and

ARRA Resolution No. 38, "Approving and Adopting the Operating Budget for Fiscal Year 2006-2007 and Appropriating Certain Moneys for the Expenditures Provided in Said Fiscal Year." Adopted.

The City Manager/Executive Director provided a brief presentation.

Councilmember/Board Member/Commissioner Matarrese stated the budget was presented very clearly; he is concerned about the General Fund revenue; requested that revenue increases or decreases above or below projections be categorized as reliable or unreliable at the sales tax mid-year review; stated the sales tax is still lagging and should be watched carefully; revenue increases or decreases can be included in the ten-year modeling and projections to evaluate how to adjust expenditures moving forward.

Mayor/Chair Johnson inquired whether information was available on sales tax projections.

The Finance Director responded the June quarterly report should be received by the first of August; the Sales Tax Consultant prepares the analogies and summary results; she would try to get the reports sooner.

Mayor/Chair Johnson stated there is a commitment to continue with conservative budgets; the budget increase is less than projected growth in revenue; an Alameda Power and Telecom briefing has not been done.

Vice Mayor/Board Member/Commissioner Gilmore inquired whether a joint meeting has been scheduled with the Golf Commission.

The City Manager/Executive Director responded various joint meetings would be scheduled.

Vice Mayor/Board Member/Commissioner Gilmore requested an explanation for the loss in Golf revenue in Fiscal Year 1996-1997; stated that she is concerned with redoing the Clubhouse; money has been made in only five of the past ten years.

Councilmember/Board Member/Commissioner deHaan commended staff for putting the budget together in a good, orderly manner; stated all golf courses have had a steady down trend; coming out of construction and into operation is an important phase for Alameda Power and Telecom; competitiveness makes it more difficult to break even; enterprise areas have been successful in the past; the Greater Alameda Business Association (GABA) would like to request funding as part of the mid-year budget review; GABA has extended membership to Harbor Bay; the ten-year forecast is extremely important to ensure key elements are addressed; requested that the ten-year forecast tool come to the Council in the next month or two; the ten-year forecast does not need to be completely refined; suggested reviewing possible funding streams for a \$20,000 to \$30,000 initial analysis of the auxiliary pumping system; stated that he is looking forward to sidewalk and tree discussions by mid-year review; programs should be put in the needed state of repair if additional funding materializes; he appreciates the Police and Fire Department's attrition concerns; he would like to have a better understanding of attrition taking place over the next two or three years, including forecasting.

Vice Mayor/Board Member/Commissioner Gilmore requested information on how the City has been impacted by the Metropolitan Golf Course in terms of playing and the banquet facility.

Mayor/Chair Johnson responded the banquet facility is very small.

Vice Mayor/Board Member/Commissioner Gilmore stated the banquet facility is being expanded to accommodate 200 people.

Councilmember/Board Member/Commissioner deHaan stated that San Leandro's banquet facility is very small; the good news is that the rainy season is over; Jim's has been fairly successful at the golf course; Jim's serves the same menu as the restaurant on Lincoln Avenue.

Mayor/Chair Johnson stated discussion on the proposed, new Clubhouse should be addressed at a joint meeting; suggested that the turf management plan be renamed the turf/field management plan.

Councilmember/Board Member/Commissioner Daysog stated the current

budget process was seamless and transparent; three components are involved with approving the operating budget: City Council, Community Improvement, and Alameda Reuse and Redevelopment Authority; that he is not ready to endorse shifting from retail/office redevelopment to residential redevelopment [at the Fleet Industrial Supply Center], which has a \$6.9 million cost; suggested that the resolutions be adopted separately.

Mayor/Chair Johnson stated the budget adoption should move forward and the Alameda Power and Telecom briefing should be scheduled.

Councilmember/Board Member/Commissioner Matarrese stated a follow-up joint meeting [with the Public Utilities Board] is needed to address unanswered, time-dependent assessment and evaluation questions raised at the last joint meeting.

Mayor/Chair Johnson stated scheduling a joint meeting might take longer; scheduling a briefing first would allow for better preparation; both a briefing and joint meeting should be scheduled.

Councilmember/Board Member/Commissioner deHaan inquired whether quarterly reports are provided.

The City Manager/Executive Director responded that information provided to the Public Utilities Board would be shared.

Councilmember/Board Member/Commissioner deHaan stated quarterly reports should be the minimum; key indicators need to be reviewed.

Councilmember Matarrese moved adoption of the City Council resolution.

Councilmember Daysog seconded the motion, which carried by unanimous voice vote - 5.

Commissioner Matarrese moved adoption of the Community Improvement Commission resolution.

Commissioner Gilmore seconded the motion, which carried by the following voice vote: Ayes: Commissioners deHaan, Gilmore, Matarrese, and Chair Johnson - 4. Abstentions: Commissioner Daysog - 1.

Board Member Daysog moved adoption of the Alameda Reuse and Redevelopment Authority resolution.

Board Member Matarrese seconded the motion, which carried by

unanimous voice vote - 5.

ADJOURNMENT

There being no further business, Mayor/Chair Johnson adjourned the Special Joint Meeting at 9:36 p.m.

Respectfully submitted,

Lara Weisiger, City Clerk
Secretary, Community Improvement
Commission

The agenda for this meeting was posted in accordance with the Brown Act.

UNAPPROVED MINUTES

MINUTES OF THE SPECIAL COMMUNITY IMPROVEMENT COMMISSION MEETING WEDNESDAY- -JULY 5, 2006- -7:32 P.M.

Chair Johnson convened the meeting at 9:37 p.m.

ROLL CALL - Present: Commissioners Daysog, deHaan, Gilmore,
Matarrese, and Chair Johnson - 5.

Absent: None.

MINUTES

(06-) Minutes of the Annual Community Improvement Commission Meeting held on June 20, 2006. Approved.

Commissioner Matarrese moved approval of the minutes.

Commissioner deHaan seconded the motion, which carried by unanimous voice vote - 5.

AGENDA ITEM

(06-) Recommendation to authorize the Executive Director to execute a Contract in the amount of \$840,000.00 with Bellecci and Associates for plans, specifications, and engineering for the Tinker/Webster Extension Project (Tinker Extension Design CIP Project No. 04-105).

Commissioner Matarrese inquired why no other bidders are listed for the project.

The Redevelopment Manager responded the project went out to bid in 1999 and received two or three bids; stated the Contract was awarded to Bellecci and Associates and then was put on hold.

Commissioner Matarrese inquired why the project was not re-bid.

The Redevelopment Manager responded Bellecci and Associates has been working on the project; stated the City entered into a \$74,000 Contract to complete the project report for CalTrans.

Commissioner Matarrese inquired whether restarting with another firm would not be cost-effective.

The Redevelopment Manager responded in the affirmative; stated Bellecci and Associates developed all the base drawings.

Commissioner Matarrese inquired whether the City owns the base drawings, to which the Redevelopment Manager responded in the affirmative.

Chair Johnson inquired whether 1999 figures were being used, to which the Redevelopment Manager responded the figures were revised.

Commissioner Daysog inquired whether the \$840,000 figure was submitted in 1999.

The Redevelopment Manager responded the figure was close to \$840,000; Public Works decided to complete only 65% or 75% of the design drawings because of budget problems at the time; Public Works reduced the scope of work.

Commissioner Daysog inquired whether the scope of work was reduced then or now, to which the Redevelopment Manager responded then.

Commissioner Daysog inquired whether the scope of work had been increased, to which the Redevelopment Manager responded in the affirmative.

Chair Johnson stated re-bidding is a matter of fairness.

The Public Works Director stated Bellecci and Associates is the most knowledgeable firm; another engineering firm would need to become familiar with the design.

Chair Johnson stated the issue is a matter of compliance with the competitive bidding process.

The Public Works Director stated staff is trying to expedite the project; timelines are tied to another project.

Chair Johnson stated the City is obligated to be fair and comply with the bidding process.

Commissioner Daysog noted the City put the project on hold.

Commissioner Gilmore stated the City approved the Contract in 1999, the project was put on hold in 2002; the project restarted in 2005; inquired why the Contract did not come back to the Commission in 2005.

The Public Works Director responded there still was money in the Contract.

The Redevelopment Manager stated the City has a Contract with Bellecci and Associates for the project report but does not have a Contract for plans, specifications, and engineering.

Commissioner Daysog stated the project was put on hold because of the City's policy decisions regarding retail.

Commissioner Matarrese stated the bid was put out, but the Contract was not executed; the City is now considering awarding an \$840,000 Contract without a bidding process.

Commissioner Gilmore inquired whether the price and scope are the same as in 1999, to which the Redevelopment Manager responded the price is the same but the scope was reduced in 1999.

Commissioner deHaan stated the matter should return at another meeting; the original Contract and background should be provided.

The Development Services Director stated staff could come back to the Commission with additional information; it is important to not lose embedded data; the engineers constantly work with the City; continuity should be discussed before changes are made.

Commissioner Matarrese stated the explanation provided by the Development Services Director was what he was seeking.

Commissioner Gilmore stated the staff report does not address continuity or amount of the Contract.

Chair Johnson inquired whether waiting two weeks causes a detriment or whether moving forward tonight would be better.

The Development Services Director responded that she would be happy to provide additional information to the Commission.

Commissioner Matarrese inquired whether the cost of switching to another firm exceeds the amount of savings.

The Development Services Director responded in the affirmative; stated the staff recommendation is the best and only way to go.

Chair Johnson stated the Commission should move forward with the staff recommendation.

Commissioner Daysog moved approval of the staff recommendation.

Commissioner Daysog inquired whether knocking down the walls of the

Tube would be analyzed.

The Redevelopment Manager responded Public Works provided a report to the Commission on the matter.

Commissioner Gilmore seconded the motion.

Under discussion, Commissioner deHaan stated the project had a lot of miscues; he has no idea how much money has been spent or what was the original bid amount; staff reports need to be detailed.

On the call for the question, the motion carried by the following voice vote: Ayes: Commissioners Daysog, Gilmore, Matarrese, and Chair Johnson - 4. Abstentions: Commissioner deHaan - 1.

ADJOURNMENT

There being no further business, Chair Johnson adjourned the Special Meeting at 9:56 p.m.

Respectfully submitted,

Lara Weisiger
Secretary

The agenda for this meeting was posted in accordance with the Brown Act.

UNAPPROVED MINUTES

MINUTES OF THE SPECIAL COMMUNITY IMPROVEMENT COMMISSION MEETING
FRIDAY- -JULY 14, 2006- -10:00 A.M.

Chair Johnson convened the Special Meeting at 10:15 a.m.

Roll Call - Present: Commissioners deHaan, Gilmore, Matarrese,
and Chair Johnson - 4.

Absent: Commissioner Daysog - 1.

The Special Meeting was adjourned to Closed Session to consider:

(06-) Conference With Legal Counsel - Existing Litigation; Name
of case: Community Improvement Commission v. Cocores Development
Company.

Following the Closed Session, the Special Meeting was reconvened
and Chair Johnson announced that direction was given to Legal
Counsel to settle the eminent domain lawsuit within specified
parameters; stated the Commission is happy to announce that the
litigation has been settled and the Commission will purchase the
historic Alameda property for \$3.2 million, which is inclusive of
all costs and interest; the stipulated judgment is expected to be
signed by the Judge on Friday, July 21, at which time the document
will be a public record.

Adjournment

There being no further business, Chair Johnson adjourned the
Special Meeting at 11:00 a.m.

Respectfully submitted,

Lara Weisiger
Secretary

The agenda for this meeting was posted in accordance with the Brown
Act.

CITY OF ALAMEDA

Memorandum

To: Honorable Chair and
Members of the Community Improvement Commission

From: Debra Kurita
Executive Director

Date: July 26, 2006

Re: (1) Recommendation to Award Design-Build Contract in the Amount of \$9,104,000 to C. Overaa & Co. for the Civic Center Parking Garage, No. P.W. 90-19; (2) Recommendation to Award Construction Contract in the Amount of \$8,800,000 to C. Overaa & Co. for Rehabilitation and Restoration of the Historic Alameda Theater; (3) Recommendation to Authorize the Execution of U.S. Department of Housing and Urban Development (HUD) Contract for Loan Guarantee Assistance under Section 108 of the Housing and Community Development Act of 1974, as amended, 42 U.S.C. Section 5308; Execution of Brownfields Economic Development Initiative (BEDI) Grant Agreement; Issuance of Section 108 Loan Guarantee Program Variable Rate Note; and Cooperation Agreement between the City of Alameda and the Community Improvement Commission; and (4) Recommendation to Authorize the Summary Vacation of a Portion of the Central Avenue Public Right-of-Way Pursuant to Chapter 4 of the Streets and Highways Codes.

BACKGROUND

The Community Improvement Commission (CIC) of the City of Alameda approved a Disposition and Development Agreement (DDA) with Alameda Entertainment Associates (AEA) for the historic Alameda Theater, Cineplex, and Parking Garage Project on May 3, 2005. On May 17, 2005, the CIC approved a Resolution of Necessity to acquire the historic Alameda Theater property by eminent domain, and on July 19, 2006, the CIC settled the lawsuit over the value of the theater with the previous property owner. In addition, the City was awarded a Brownfield Economic Development Initiative (BEDI) grant by the U.S. Department of Housing and Urban Development (HUD) for the construction of the parking garage component of the project in October 2004 and a Section 108 loan guarantee to assist with its financing in January 2006. The overall project will consist of an eight-screen movie theater, including a 484-seat, single-screen theater in the historic Alameda Theater and seven screens in the new cineplex, 6,100 square feet of retail, and an approximately 350-space parking garage.

**Report 1
Special Joint CC/CIC Meeting
7-26-06**

On March 21, 2006, the CIC adopted plans and specifications and authorized a call for bids for the restoration and rehabilitation of the historic Alameda Theater and the design-build of the Civic Center Parking Garage from pre-qualified contractors. Bids were opened for the garage on May 9, 2006. The CIC received three bids for the garage from the three pre-qualified contractors. Of the three bids, Overaa Construction of Richmond, California was the lowest apparent bidder at \$9,104,000, \$800,000 over the CIC's garage budget of \$8.3 million. The other two bids from S.J. Amoroso and West Bay Builders were for \$10,081,000 and \$10,118,000, respectively.

The bids for the theater were opened on May 10, 2006. The CIC received only one bid for the theater project from SJ Amoroso in the amount of \$11,187,000, approximately \$3.8 million over the CIC's construction estimate of \$7.4 million. Insufficient funds were available to contract with SJ Amoroso at the bid price. Staff met with SJ Amoroso to evaluate the possibility of negotiating a lower price; however, it became apparent at the meeting that the parties would not reach a price within the CIC budget. Given the fact that discussions with SJ Amoroso were not successful and that no other pre-qualified contractors bid on this project, the CIC concluded that going out to bid again would be unlikely to yield any better result. One of the key factors considered in this decision was the steep escalation in construction costs, which mean that the delay required to rebid would reduce the likelihood that new bids would be any lower than the original. After considering all of the circumstances, the CIC rejected the SJ Amoroso bid and authorized staff to negotiate with Overaa Construction—the lowest apparent bidder on the garage project—for a firm contract price within the CIC's budget. This option provided the CIC with maximum flexibility to collaborate and negotiate both scope and price.

DISCUSSION

(1) Civic Center Parking Garage Construction Contract

The parking garage project is a design-build project. CIC staff recommends awarding the contract to Overaa Construction at the base bid price of approximately \$9.1 million, with a stipulation in the agreement that the Notice to Proceed on the construction phase be contingent upon value engineering the project to meet the CIC's budget. CIC staff and Overaa Construction have already identified mutually agreeable value engineering changes that will be included during the design phase that are expected to bring the cost within the City's budget (see Attachment 1). The major proposed changes would include the following:

- Deletion of marquee canopy and application of signage directly onto building above entrance (see Attachment 2, Sheet A5);
- Deletion of blade sign (see Attachment 2, Sheet A5);

- Deletion of CMU wall on northern elevation and replacement with cast-in-place spandrel panels to create an open northern elevation similar to the western elevation (see Attachment 2, Sheet A21);
- Deletion of one elevator car, while maintaining second hoistway and plunger for future installation of second elevator car;
- Elimination of "tongue" on roof level, resulting in the reduction of eight parking spaces;
- Deletion of plaster "picture frames" at ground and second floors;
- Deletion of decorative screens at roofs of elevator and stair towers;
- Deletion of walls not part of the elevator shaft; and
- Eliminate EIFS "cornice" effect at tops of stair towers.

The greatest risk for change orders in a design-build garage occurs during site excavation with the potential for encountering hazardous materials and/or unfavorable soil conditions. Many owners carry a three to four percent contingency on design-build parking garages because liability for change orders due to design deficiencies lies with the architect and engineers employed directly by the General Contractor, rather than the City. University of California at San Francisco and Bay Area Rapid Transit use four percent contingencies as the standard on design-build parking garages, while Kaiser Permanente utilizes a three percent contingency. The CIC budget for this project has a ten percent contingency, or \$786,000, on the design and construction components of the project. This amount substantially exceeds industry standards. As a result, it is recommended that the CIC reduce its contingency on the garage to approximately five percent of the \$8.3 million, or \$415,000, and transfer the remaining \$371,000 contingency to supplement the parking garage budget by \$71,000 and the historic theater budget by \$300,000 (see Attachment 3). A number of the items value-engineered from the parking garage could be added back into the scope (i.e., blade sign and canopy) if funds remain available after the site is successfully excavated, the foundations have been poured, and unknowns eliminated.

The \$9,104,000 contract with Overaa Construction for the design-build construction of the parking garage is on file with the City Clerk.

(2) Historic Alameda Theater Rehabilitation Construction Contract

CIC staff and Overaa Construction have negotiated an \$8.8 million contract price for the rehabilitation and restoration of the historic Alameda Theater by value engineering a number of relatively minor portions of the original scope of work (see Attachment 4). A summary of these items include:

- Modifying the emergency exit and disability access ramp enclosure proposed for the western side of the building to eliminate the enclosure (i.e., eliminating roof and walls), while maintaining an outdoor access and exit ramp that meets the exiting requirements of the building code;
- Eliminating the wheelchair lift to provide disabled access to the stage in the historic theater auditorium. The theater is accessible to the public for only 12 days per year, and the operator and/or user of the facility will be required to rent a portable wheelchair lift for these events;
- Restoring the coffered plaster ceilings by silk screening the original Art Deco designs onto canvas that is then glued to the ceiling instead of painting the design directly onto the plaster. According to Architectural Resources Group (ARG), the City's preservation architect, this is an accepted industry standard and is a viable alternative for the theater;
- Converting the storefront doors and trim from wood to aluminum
- Eliminating the \$100,000 allowance carried by the Contractor for unforeseen miscellaneous plaster patching related to mechanical, electrical, and plumbing work; and
- Roof inspection indicated the need for repairs instead of installation of a cap sheet. This repair would result in five-plus years of additional roof life; ongoing maintenance contract could extend the life of the roof beyond five years.

In conjunction with CIC staff, Overaa Construction has also identified more substantial value-engineering items and scope reductions that would help the CIC to meet its current \$8.5 million budget for the theater rehabilitation. Examples of potential cost savings items are listed below and represent draft estimates. If any or all of these items are selected by the CIC, the final prices would need to be negotiated and the construction contract would need to be revised. A summary of these major items include:

- The air-conditioning unit and chilled water pipes could be eliminated with no provision for future installation without significant disruption and new construction (\$40,000 to 60,000 cost savings).
- The limitation of full disabled access could be considered. (Undetermined).
- The proposed custom carpet pattern manufactured to match the original historic pattern in the lobby could be replaced with a glued-down carpet with little to no pattern in colors consistent with the original carpet (\$40,000 cost savings).

- The proposed electrical service capacity could be reduced from 1600 amps to 1200 amps to allow for reuse of the existing electrical conduit. This reduction in service would preclude a restaurant use from locating in the historic theater's retail space without providing supplemental power (\$50,000 to \$75,000 cost savings).

CIC staff does not, however, recommend any of these modifications and, therefore, urges the CCI to award the \$8,800,000 contract to Overaa Construction and transfer \$300,000 in contingency funds from the garage to the theater project. The risk posed by the design-build construction of the parking garage can be properly mitigated without these funds. The selection of this option preserves the current scope of work for the theater without any major modifications. The \$8,800,000 contract with Overaa Construction for the rehabilitation and restoration of the historic Alameda Theater is on file with the City Clerk.

(3) Issuance of HUD Section 108 Loan Guarantee Note and Contract

HUD awarded the City with an \$800,000 BEDI grant in October 2004 and a \$7,000,000 Section 108 loan guarantee in January 2006. These funds will be used by the CIC to assist in financing the construction of the proposed Civic Center Parking Garage. The loan will be repaid using project revenues including parking meter revenues, retail income from the historic Alameda Theater, loan repayment and percentage rent to the CIC from AEA, and building and ground lease payments to the CIC from AEA for the theater and cineplex, respectively (see Attachment 5). It is recommended that the CIC authorize issuance of the HUD Section 108 Variable Rate Note, HUD Section 108 Loan Guarantee Assistance Contract, BEDI Grant Agreement and Cooperation Agreement between the City and the CIC to administer the loan by approving the accompanying resolution.

The Section 108 variable rate note and contract for \$7,000,000 Section 108 loan guarantee assistance, and the BEDI grant agreement for \$800,000 between the City and HUD, and the cooperation agreement between the City and the CIC are on file with the City Clerk.

(4) Summary Vacation of a Portion of the Central Avenue Public Right-of-Way

As discussed in the staff report for the March 21, 2006 CIC meeting regarding the approval of the amended designs for the cineplex and garage, the CIC eliminated the cineplex's approximate 20-inch projection along Central Avenue by moving the face of the building out approximately 20 inches, resulting in a reduction in the width of the sidewalk along a portion of Central Avenue (see Exhibit A of the accompanying summary vacation resolution and Attachment 2, Sheet A9). The actual encroachment varies from three inches along the "bay window" portion of the façade in order to straighten out the property line to 18 inches at the exterior plane of the cineplex between the columns on the corner portion of the Central Avenue façade to 25 inches at

the columns. The sidewalk is currently 14 feet and will be reduced to approximately 12 feet at this corner portion of the building. The approximate 20-inch projection was eliminated in response to comments provided to the CIC by the California State Historic Preservation Officer (SHPO) as part of the Section 106 review process. The Section 106 Review process was required as the result of accepting federal monies for the project.

The most appropriate manner of accomplishing this approximate 20-inch encroachment into the public right-of-way is to summarily vacate that portion of the sidewalk. Summary vacation is an abbreviated process for vacating a public street in instances where an excess right-of-way is not required for street purposes. This summary vacation is required for reparcelization and reconfiguration of the cineplex property to facilitate redevelopment of this blighted property located within the City's redevelopment area. Vacating a portion of the sidewalk will not affect vehicular or pedestrian circulation because the remaining width of the sidewalk is more than adequate. It is recommended that the CIC approve the accompanying resolution authorizing the summary vacation of a portion of the Central Avenue public right-of-way.

POLICY DOCUMENT CROSS REFERENCE

Alameda Downtown Vision Plan 2000 – Action B1.0 – Renovate/restore Alameda Theater.

Alameda Downtown Vision Plan 2000 – Action F4 – Consider building a parking structure as part of a Downtown parking management program.

BUDGET CONSIDERATION/FINANCIAL IMPACT

Up until June 6, 2006, the total budget for all three components of this project (the cineplex, parking garage and historic Theater renovation) was \$27.8 million plus \$1.17 million in uncommitted, but available funds. The CIC, at the June 6, 2006 meeting, committed the \$1.17 million in unallocated revenue that had been available, but not committed, to the Theater project (see Attachment 3). In addition, on July 19, 2006, the CIC settled its lawsuit over the value of the historic Alameda Theater with the previous property owner for \$3.2 million. This settlement action requires the allocation of \$1.2 million in additional uncommitted CIC bond proceeds to the project for acquisition (see Attachment 3). Funds from the \$1 million in redevelopment bond proceeds no longer required by the new library construction project were previously allocated to the project by the CIC; staff recommends allocation of \$200,000 proposed to be available from the \$3.1 million in bond proceeds released from the CIC's debt service reserve fund upon purchase of a surety bond, consistent with the bond indenture (see other 7/26/2006 staff report).

The proposed recommendation to award the parking garage construction contract for \$9.1 million (contingent on its subsequent reduction to within the CIC's budget) and the

historic Alameda Theater restoration and rehabilitation contract for \$8.8 million will result in the transfer of \$300,000 in parking garage contingency funds to augment the theater construction budget from \$8.5 million to \$8.8 million, and approximately \$70,000 to augment the parking garage budget. This reduces the parking garage contingency from approximately 10 percent to five percent. As stated above, developers and many public agencies of design-build projects typically reserve a three to four percent contingency for design-build parking garages. The CIC would conservatively still carry a five percent contingency. Attachment 3 outlines the revised project budget compared to the budget approved at the June 6, 2006 and March 21, 2006 CIC meetings. If these recommendations are accepted and no further reductions from the historic Theater requested, the total budget will be \$30.2 million. This number includes all soft costs, design, engineering, acquisition, demolition, environmental remediation, tenant relocation, construction, and contingencies. In addition, the developer will contribute at least another \$5.4 million to the total overall budget.

ENVIRONMENTAL REVIEW

The City completed CEQA review of the Project and adopted the Mitigated Negative Declaration ("MND") on May 3, 2005. This review is final and conclusive, and was upheld by the Alameda County Superior Court on June 30, 2006. The proposed reduction of eight spaces to 342 spaces from the 350-space Parking Structure analyzed in the MND does not create any significant effect not previously discussed and does not trigger the need for subsequent environmental review. CEQA Guidelines §15162(a) To the contrary, the analysis in the December 2004 *Downtown Alameda Theater, Cineplex and Parking Structure Parking and Traffic Study* conducted by EnviroTrans Solutions demonstrates with the addition of 350 new parking spaces provided by the Project, there would be a surplus of 335 parking spaces on weekdays and 463 spaces on weekends. Thus, based on Parking and Traffic Study, the MND concluded that the Project would have a less-than-significant impact on parking capacity because of the potential for increased utilization of existing parking facilities downtown through joint use.

The reduction in parking spaces is also consistent with the terms of the use permit for the Parking Structure approved by the Planning Board on June 27, 2005, and upheld by the City Council on August 16, 2005 (UP05-0008). In upholding the use permit, the City Council described the Parking Structure as providing 352 spaces (subsequently, 350 spaces), and conditioned its approval of the use permit on the Project's "substantial conformity" with the plans titled "Oak Street Public Parking Garage" dated June 7, 2005, prepared by Michael Stanton Architecture. The reduction of ten spaces (342 current spaces compared to 352 spaces described in parking garage use permit) is in substantial conformity with the 352-space plan and is consistent with the use permit. Similarly, the reduction in spaces is also consistent with the use permit for the Cineplex, adopted by the Planning Board on September 27, 2005, and upheld by the City Council on November 1, 2005 (UP05-0018). In upholding the use permit, the City Council found that a 350-space parking structure would be adequate to meet parking demand, and

that the Project would be served by adequate parking. The reduction of eight spaces (342 current spaces compared to 350 spaces) will not affect the City Council's finding that the Project will be served by adequate transportation and service facilities. See Alameda Municipal Code § 30-21.3(b)(2). This minor variation in the plans for the Parking Structure would not be considered a change of use.

RECOMMENDATION

- 1) Recommendation to Award Design-Build Contract in the Amount of \$9,104,000 to C. Overaa & Co. for the Civic Center Parking Garage, No. P.W. 90-19;
- 2) Recommendation to Award Contract in the Amount of \$8,800,000 to C. Overaa & Co. for Rehabilitation and Restoration of the Historic Alameda Theater;
- 3) Adoption of Resolution Authorizing the Execution of U.S. Department of Housing and Urban Development (HUD) Contract for Loan Guarantee Assistance under Section 108 of the Housing and Community Development Act of 1974, as amended, 42 U.S.C. Section 5308; Execution of Brownfields Economic Development Initiative (BEDI) Grant Agreement; Issuance of Section 108 Loan Guarantee Program Variable Rate Note; and Cooperation Agreement between the City of Alameda and the Community Improvement Commission; and
- 4) Adoption of Resolution Authorizing the Summary Vacation of a Portion of the Central Avenue Public Right-of-Way Pursuant to Chapter 4 of the Streets and Highways Codes.

Respectfully submitted,
Leslie A. Little
Development Services Director

By: Dorene E. Soto
Manager, Business Development
Division



Jennifer Ott
Development Manager

Attachments:

1. List of Value-Engineering for Civic Center Parking Garage.
2. Approved Parking Garage Design: Sheets A5, A9, and A21.
3. 7/26/2006 Proposed Budget for Downtown Theater Project.
4. List of Value-Engineering for Rehab. and Restoration of the Alameda Theater.
5. HUD Section 108 Loan Schedule for Repayment.

Attachment 1

VE Log for Parking Garage

July 20, 2006

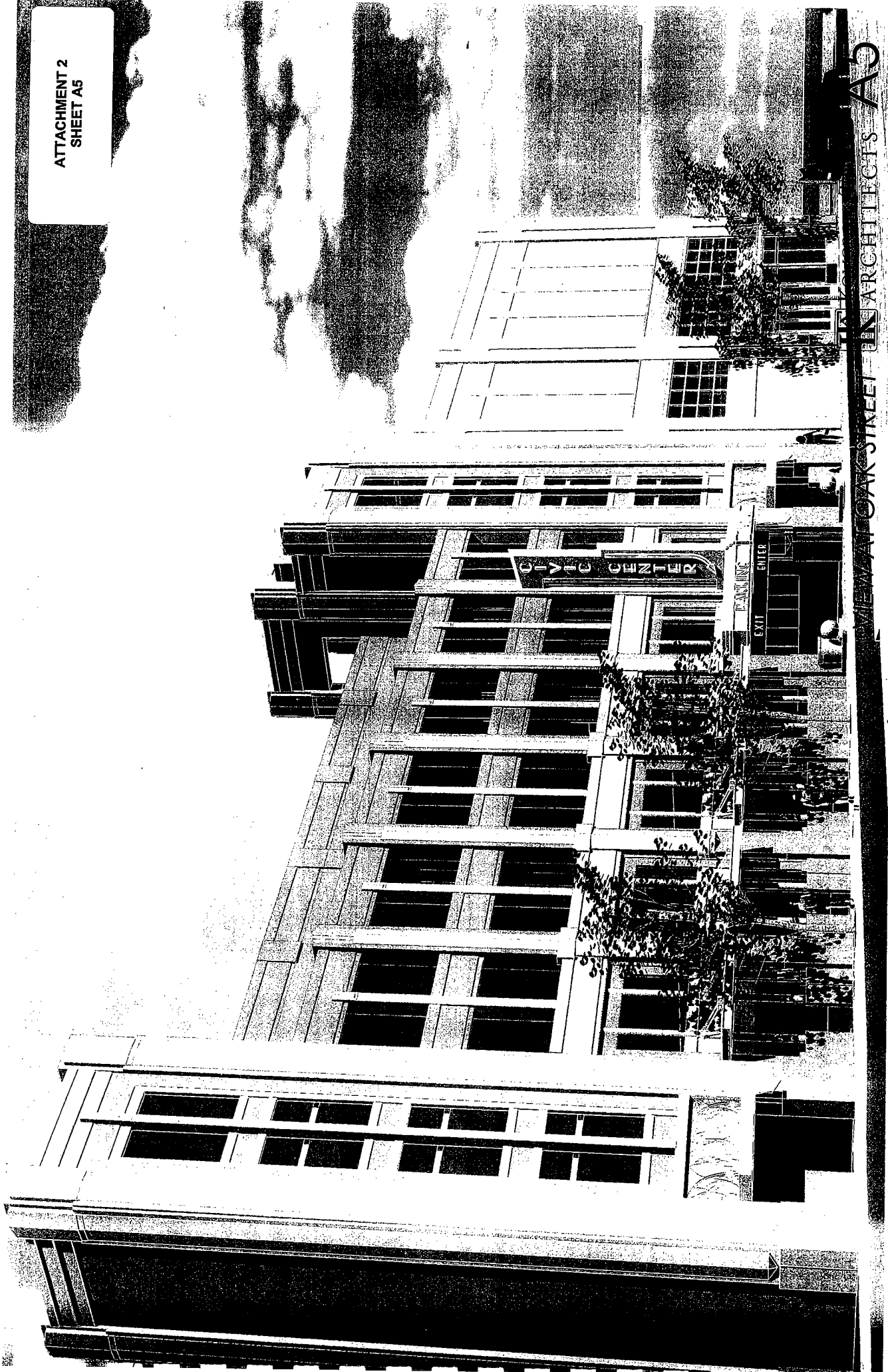
Item	Item Description	Rejected	Pending	Included	Alternate	Redesign Effort (0-5)	Comments
1	Replace Precast spandrels with CIP walls			X		0	Accept Alternate
2	Eliminate spandrel panel at "D" line at roof, replace with masonry and paint			X		1	
3	Eliminate spandrel panel at "D" line at roof, replace with masonry, skim coat and paint (in lieu of 1B).	X				0	
4	Reduce quantity of canopies along west elevation (price determined upon how many are deleted).			X	X		Provide price as an add alternate for acceptance at a future date
5	Simplify Canopy designs along west elevation.	X					Included in VE Item #4
6	Delete Kynar paint finish requirement from canopies and replace with shop applied primer and field applied finish paint.			X			
7	Delete galvanizing requirement on exterior items and replace with shop coat applied primer			X			
8	Simplify tube steel "mullions" or change to sheet metal at West Elevation			X			
9	Eliminate "scallop" at column tops along "A" line from 1.5 to 2.5 and carry "wedge" over the top of column at west Elevation			X	X		Provide price as an add alternate for acceptance at a future date
10	Delete plaster "picture frames" at ground and second floors between columns along "A" line			X	X		Provide price as an add alternate for acceptance at a future date
11	Delete marquee canopy and apply signage directly onto building above entrance.			X	X		Provide price as an add alternate for acceptance at a future date
12	Delete Blade Sign			X	X		Provide price as an add alternate for acceptance at a future date
13	Change "anchored stone veneer" at base of west elevation exterior to 12" x 12" granite tile set in thinset.			X			
14	Reveals in lieu of "steps" at spandrel panels at North Elevation			X			
15	Delete CMU wall along "I" line from "E" to "H" and replace with CIP spandrel panels (with reveals in lieu of "steps").			X			
16	Eliminate Canopy at North Elevation			X			
17	Delete Kynar paint finish requirement from canopies and replace with shop applied primer and field applied finish paint at North Elevation			X			
18	Reduce quantity of MSM's to two and centrally locate at first floor lobby as well as other simplifications and revisions to the PARCS spec.			X	X		Provide price for one machine as an add alternate for acceptance at a future date
19	Delete site lighting set in sidewalk	X					
20	Delete sandblast finish at sidewalk			X			
21	Reduce PT requirement from 200psi to standard 150psi at all covered decks			X		1	
22	Delete storage room under ramp			X		2	
23	Delete 1 elevator car but keep 2nd hoistway and plunger (set CMU block at future openings)			X	X	2	Provide price as an add alternate for acceptance at a future date
24	Delete separator screens at elevator			X	X	2	Provide price as an add alternate for acceptance at a future date
25	Delete 6" of rock under SOG. No capillary break is required as there are no floor coverings being installed in the garage.			X		1	
26	Reduce fire sprinkler system throughout garage. To include only class III standpipes in the stairs and hose cabinets.		X			1	
27	Delete decorative screens at roofs of elevator and stair towers			X	X		Provide price as an add alternate for acceptance at a future date
28	Delete interior wrap of EIFS/plaster			X	X		Provide price as an add alternate for acceptance at a future date
29	Delete interior facing articulation of stair roof canopies			X	X		Provide price as an add alternate for acceptance at a future date

Attachment 1

VE Log for Parking Garage

July 20, 2006

Item	Item Description	Rejected	Pending	Included	Alternate	Redesign Effort (0-5)	Comments
30	Reduce size of roof and simplify to cover for protection from weather only			X	X		Provide price as an add alternate for acceptance at a future date
31	Delete walls that are not part of the elevator shaft (vertical elements on sheet A5.0)			X	X		Provide price as an add alternate for acceptance at a future date
32	Eliminate EIFS "cornice" effect at tops of stair towers			X	X		Provide price as an add alternate for acceptance at a future date
33	Simplify (delete "steps" and use reveals) EIFS "cornice" effect at tops of stair towers (in lieu of item 4f).			X	X		Provide price as an add alternate for acceptance at a future date
34	Change plaster "mullions" to steel or sheet metal			X			
35	Delete plaster "picture frames" between stair tower columns			X	X		Provide price as an add alternate for acceptance at a future date
36	Delete relief panels at stair towers			X	X		Provide price as an add alternate and hold for six months. This might be added back in.
37	Eliminate upper Level to Line G			X			
38	Reduce GC per VE			X			





ATTACHMENT 2
SHEET A9

A21

DATE: 03-09-08

DRAWN BY: Marc Chau

JOB NO.: 2530.3

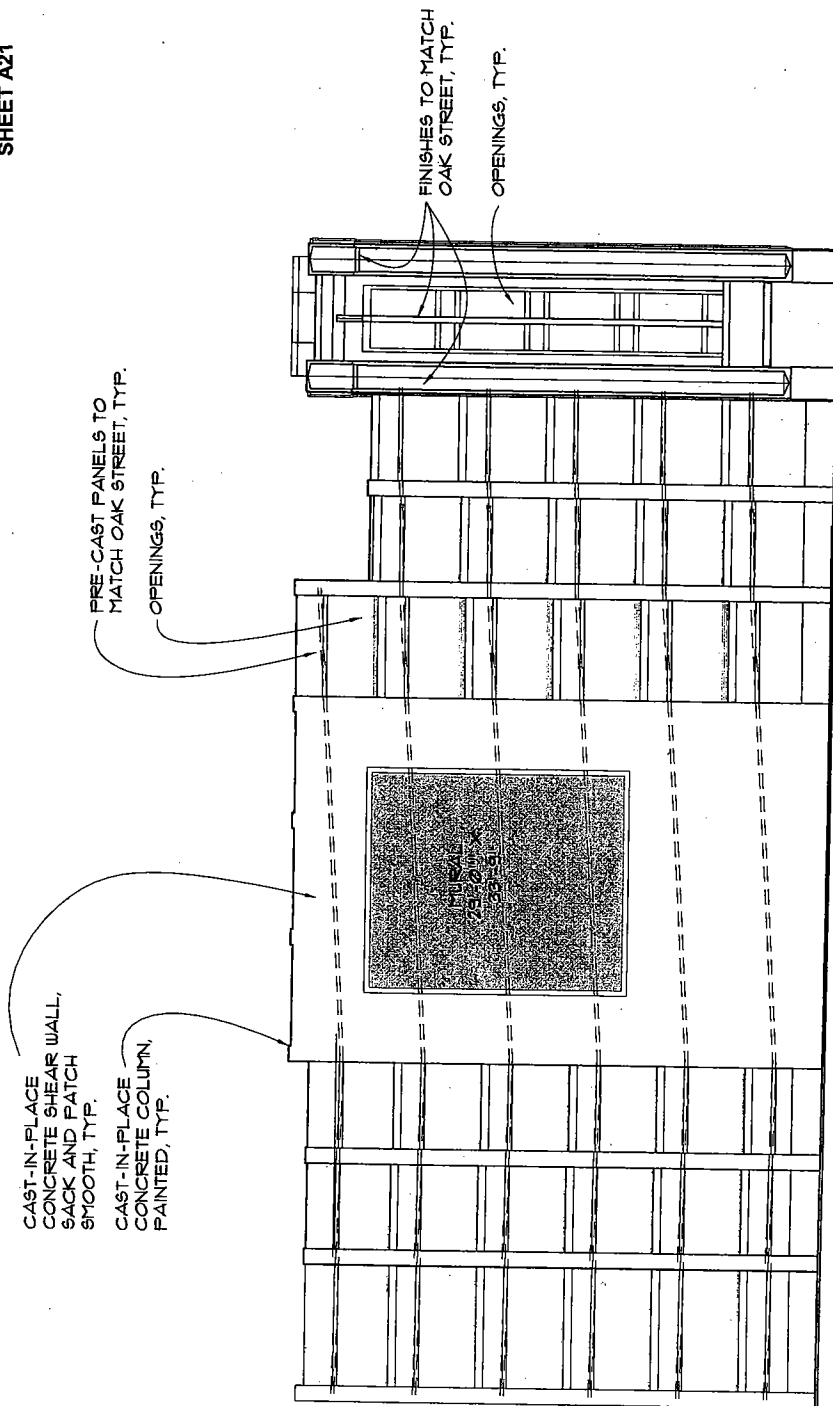
ALAMEDA CINEMPLEX
AND PARKING GARAGE

PARKING GARAGE
SANTA CLARA
AVENUE
ELEVATION



KOMOROUS-TOWEY ARCHITECTS
315 FOURTEENTH STREET
OAKLAND, CA 94612
PH: 510.448.2244 FAX: 510.448.2242
k@komarch.com www.komarch.com

**ATTACHMENT 2
SHEET A21**



Attachment 3
Proposed Budget for Downtown Theater Project

Item	Budget 3/21/2006	Budget 6/7/2006	Proposed Budget 7/26/2006	Difference between 6/7- 7/26
I. SOURCE OF FUNDS⁽¹⁾				
Sources of Funds	\$29,003,000	\$29,003,000	\$29,003,000	\$0
Add'l Redevelopment Bond Proceeds (Library)	\$0	\$0	\$1,000,000	\$1,000,000
Add'l Redevelopment Bond Proceeds	<u>\$0</u>	<u>\$0</u>	<u>\$200,000</u>	<u>\$200,000</u>
TOTAL SOURCES OF FUNDS	\$29,003,000	\$29,003,000	\$30,203,000	\$1,200,000
II. USE OF FUNDS				
<u>Parking Garage</u>				
Land Acquisition	\$811,000	\$811,000	\$811,000	\$0
Construction Costs	\$8,300,000	\$8,300,000	\$8,371,000	\$71,000
Other Costs	\$1,410,000	\$1,410,000	\$1,410,000	\$0
Construction Contingency ⁽²⁾	<u>\$786,000</u>	<u>\$786,000</u>	<u>\$415,000</u>	<u>(\$371,000)</u>
Subtotal	\$11,307,000	\$11,307,000	\$11,007,000	(\$300,000)
<u>Cineplex</u>				
Public Contribution/Loan	\$2,800,000	\$2,800,000	\$2,800,000	\$0
Hazardous Materials Clean-up ⁽³⁾	\$200,000	\$200,000	\$250,000	\$50,000
Theater Connections	<u>\$675,000</u>	<u>\$675,000</u>	<u>\$675,000</u>	<u>\$0</u>
Subtotal	\$3,675,000	\$3,675,000	\$3,725,000	\$50,000
<u>Alameda Theater Rehabilitation</u>				
Property Acquisition/Relocation	\$2,500,000	\$2,500,000	\$3,418,000	\$918,000
Rehabilitation Costs	\$7,373,600	\$8,500,000	\$8,800,000	\$300,000
Other Costs	\$1,870,000	\$1,870,000	\$1,870,000	\$0
Additional Soft Costs ⁽⁴⁾	\$0	\$45,000	\$277,000	\$232,000
Construction Contingency ⁽²⁾	<u>\$1,106,000</u>	<u>\$1,106,000</u>	<u>\$1,106,000</u>	<u>\$0</u>
Subtotal	\$12,849,600	\$14,021,000	\$15,471,000	\$1,450,000
TOTAL USE OF FUNDS	\$27,832,000	\$29,003,000	\$30,203,000	\$1,200,000
III. NET BALANCE/ REVENUE SURPLUS	\$1,171,000	\$0	\$0	

⁽¹⁾ Assumes \$1 million in library redevelopment bond funds and \$200,000 in uncommitted bond funds no longer required for cash reserves are committed to the Theater project under the 7/26/2006 budget.

⁽²⁾ The contingency for the theater under the 7/26/2006 budget is approximately 13% instead of 15% with the increase in construction budget; and the garage was reduced to 5% still exceeding industry standards.

⁽³⁾ This contingency was incorrectly stated as a \$200,000 in previous budgets. The DDA states it is a \$250,000 contingency.

⁽⁴⁾ As part of the value-engineering process for the theater, these funds are likely to be required for additional soft costs.

Attachment 4

VE Log for Alameda Theater Rehabilitation

July 20, 2006

Item	Item Description	Drawing Number	Rejected	Pending	Included	Alternate	Initial by Contractor and City	Redesign Effort (0-5)
1	Redesign of Alley Way			X				0
2	Revise alley electrical service from a direct boring to a trenched service.	A3.1A			X			2
3	Provide Survey of Roof and modify roofing design.	A3.3, A8.6			X			2
4	Reduced rigid insulation requirements to account for slope only under roofing				X			1
5	Revise storefront doors from wood to aluminum to match	A8.1			X			2
6	Provide allowance for patching of work associated with MEP or other work				X			0
7	Delete West Enclosure which includes all electrical, mechanical, carpet, fire protection, plaster/framing, structural steel, painting and roofing work associated with the deletion of the west enclosure	T1.1, T1.2, A2.0, A2.1, A2.3, A2.5, A2.9, A2.11, A3.0, A3.4, A6.1, A6.3, A7.0, A7.1, A7.2, A7.3, A9.4, S2.0, S2.1, S2.2, S2.3, S2.4, S2.5, S3.2, S4.3, S4.5, S4.6, P2.1, P2.5, E0.2, E2.1, E2.3, E3.1B, E3.3			X			5
8	Replace doors currently called out to be reused with new doors to match existing			X				1
9	Substitute Door Hardware	A2.10		X				2
10	Revise handpainting coffered ceiling to a silkscreen applied canvas				X			1
11	Delete Carpet pad		X					0
12	Delete Wheel chair lift at stage	A1.1			X			3
13	Delete concrete work associated with wheel chair lift	A7.4			X			3
14	Delete stairs at wheel chair lift	A7.4		X				3
15	Use alternative Stainless steel handrails to match design as shown				X			1
16	Design Build stadium seating				X			1
17	Delete sidewall sprinkler heads along G/L 4	F2.1, F2.3			X			2
18	Revise electrical service inside theater from direct bore to overhead installation via game room and womens rest room	E5.1, E5.2			X			2
19	Revise HVAC Mechanical Equipment	M0..2, M2.1		X				2
20	Delete Air Conditioning		X					0

Attachment 5

ALAMEDA THEATER PROJECT GARAGE

HUD SEC 108 LOAN

As Modified by Mark Briggs

SCHEDULE FOR LOAN REPAYMENT		MovieTECS Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
		Construction	3.0%								
MovieTECS PAYMENTS TO CIC											
1	Historic Theater: Building Lease										
2	New Building: Ground Lease										
3	Percentage Rent										
4	Repayment of CIC Loan										
5	Retail Income - Historical Theater Space										
6											
7	PARKING REVENUES										
8	Parking Meter Revenue Funds										
9	Parking Garage Income ---- Estimate										
10											
11											
12	TOTAL REVENUES										
13	<LESS> Garage Operating Costs --- Estimate										
14	REVENUES AVAILABLE TO FUND LOAN										
15											
16	SEC 108 LOAN - PRINCIPAL										
17	PAYMENT SCHEDULE ⁽¹⁾										
18	Use of BEDI Funds to Pay Interest										
19	Income After Debt Service (Line 14 - line 17 + line 18)										
20	Interest income on HUD Loan										
21											
22											
23	RESERVE FUNDS										
24	Carry over (Line 19/ Line 21)										
25											
26	Interest income on balance										
27	FUNDS REMAINING										

1) Source: Mark Briggs 2004

Attachment 5

ALAMEDA THEATER PROJECT GARAGE

HUD SEC 108 LOAN

As Modified by

SCHEDULE FOR LOAN REPAYMENT

	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20	Year 21
MovieTECS PAYMENTS TO CIC											
NPV											
Historic Theater: Building Lease	\$160,680	\$165,500	\$170,465	\$175,579	\$180,847	\$186,272	\$191,860	\$197,616	\$203,545	\$209,651	\$215,940
New Building: Ground Lease	98,880	101,846	104,902	108,049	111,290	114,629	118,068	121,610	125,258	129,016	132,886
Percentage Rent	0	0	0	0	0	0	0	0	0	0	0
Repayment of CIC Loan	110,873	110,873	110,873	110,873	110,873	110,873	110,873	110,873	110,873	110,873	110,873
Retail Income - Historical Theater Space	94,074	96,896	99,803	102,797	105,881	109,058	112,329	115,699	119,170	122,745	126,428
PARKING REVENUES											
Parking Meter Revenue Funds	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000
Parking Garage Income ---- Estimate	156,573	161,270	166,108	171,091	176,224	181,511	186,956	192,565	198,342	204,292	210,421
	406,573	411,270	416,108	421,091	426,224	431,511	436,956	442,565	448,342	454,292	460,421
TOTAL REVENUES											
<LESS> Garage Operating Costs --- Estimate	871,080	886,386	902,152	918,390	935,115	952,343	970,087	988,363	1,007,188	1,026,577	1,046,548
	(201,587)	(207,635)	(213,864)	(220,280)	(226,888)	(233,695)	(240,706)	(247,927)	(255,365)	(263,026)	(270,917)
REVENUES AVAILABLE TO FUND LOAN											
	669,492	678,751	688,287	698,110	708,227	718,648	729,381	740,436	751,823	763,551	775,632
SEC 108 LOAN - PRINCIPAL											
PAYMENT SCHEDULE ⁽¹⁾	\$7,000,000										
	(12,411,124)										
Use of BEDI Funds to Pay Interest											
Income After Debt Service (Line 14 - line 17 + line 18)	26,702	35,808	44,552	54,844	64,484	75,907	86,601	98,197	108,712	119,770	129,770
Interest income on HUD Loan											
RESERVE FUNDS											
Carry over (Line 19/ Line 21)	297,474	330,660	373,797	426,717	491,192	566,789	655,550	756,994	872,294	1,000,626	1,142,805
	26,702	35,808	44,552	54,844	64,484	75,907	86,601	98,197	108,712	119,770	129,770
	324,176	366,468	418,350	481,561	555,676	642,696	742,150	855,191	981,006	1,120,397	1,318,436
Interest income on balance	6,484	7,329	8,367	9,631	11,114	12,854	14,843	17,104	19,620	22,408	25,369
FUNDS REMAINING											
	330,660	373,797	426,717	491,192	566,789	655,550	756,994	872,294	1,000,626	1,142,805	1,318,436

1) Source: Mark Briggs 2004

CITY OF ALAMEDA RESOLUTION NO. _____

AUTHORIZING THE EXECUTION OF U.S. DEPARTMENT OF HOUSING
AND URBAN DEVELOPMENT (HUD) CONTRACT
FOR LOAN GUARANTEE ASSISTANCE UNDER SECTION 108
OF THE HOUSING AND COMMUNITY DEVELOPMENT ACT OF 1974, AS
AMENDED, 42 U.S.C. SECTION 5308; EXECUTION OF BEDI GRANT
AGREEMENT; AND ISSUANCE OF HUD SECTION 108 LOAN GUARANTEE
PROGRAM VARIABLE RATE NOTE

Approved as to Form


CITY ATTORNEY

WHEREAS, the City of Alameda has determined that a high priority exists for economic development and job creation activities and that the proposed Downtown Revitalization—Construction of New Parking Garage (“the Project”) meets these priorities; and

WHEREAS, the Downtown Revitalization—Construction of New Parking Garage is included in the City's adopted One Year Action Plan of the Consolidated Plan; and

WHEREAS, the Section 108 Loan Guarantee program, implemented by the United States Department of Housing and Urban Development (HUD), is designed to provide funds to assist with these types of projects; and

WHEREAS, under the Section 108 Loan Guarantee program, the City can borrow up to five years worth of its annual Community Development Block Grant allocation, and can take up to twenty years to repay the principal and interest; and

WHEREAS, In July 2004, pursuant to City of Alameda Resolution No. 13744, the City submitted an application for a Section 108 Loan Guarantee and a Brownfields Economic Development Initiative (BEDI) grant; and

WHEREAS, in January 2006, the City was awarded \$7,000,000 in Section 108 Loan Guarantee funds to assist with the implementation of the improvements and related economic development activities on the Project site; and

WHEREAS, in October 2004, HUD awarded the City a Brownfields Economic Development Initiative (BEDI) grant in the amount of \$800,000 to also assist with the economics of the Project and which said BEDI funds cannot be expended without an approved Section 108; and

WHEREAS, the City has or will enter into a Cooperation Agreement with the Community Improvement Commission to administer the Section 108 Loan Funds in the amount of \$7,000,000 and the BEDI grant funds in the amount of \$800,000 for the benefit of the Project;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF ALAMEDA, DOES RESOLVE, DECLARE, DETERMINE AND ORDER AS FOLLOWS:

SECTION 1. City reaffirms the continuing commitments and representations made in the July 2004 City Council Resolution No. 13744, Sections 4 through 12.

SECTION 2. The City possesses the legal authority to enter into contract for the Loan Guarantee Assistance under Section 108 of the Housing and Community Development Act of 1974, as amended, 42 U.S.C. Section 5308, and to use the guaranteed loan funds in accordance with 24 CFR Part 570, subpart M.

SECTION 3. The City Manager or her designee is authorized to execute the:

- a) Contract for Loan Guarantee Assistance Under Section 108 of the Housing and Community Development Act of 1974, as Amended, 42 U.S.C. Sec. 5308;
- b) Variable/Fixed Rate Note No. B-04-MC-06-0007 for \$7,000,000;
- c) Brownfields Economic Development (BEDI) Grant Agreement with the U.S. Department of Housing and Urban Development for \$800,000;
- d) Cooperation Agreement Regarding Administration of the 2006 Section 108 HUD Loan and BEDI Grant funds Between the City of Alameda and the Community Improvement Commission of the City of Alameda.

SECTION 4. This Resolution shall be effective immediately upon its adoption.

* * * * *

I, the undersigned, hereby certify that the foregoing Resolution was duly and regularly adopted and passed by the City Council of the City of Alameda in a regular meeting of the City Council on the 26th day of July, 2006, by the following vote to wit:

AYES:

NOES:

ABSENT:

ABSTENTIONS:

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of said City this ____ day of July, 2006.

Lara Weisiger, City Clerk
City of Alameda

CITY OF ALAMEDA RESOLUTION NO. _____

AUTHORIZING THE SUMMARY VACATION OF A PORTION OF
THE CENTRAL AVENUE PUBLIC RIGHT-OF-WAY PURSUANT
TO CHAPTER 4 OF THE STREETS AND HIGHWAYS CODE

Approved as to Form

[Signature]
CITY ATTORNEY

WHEREAS, the Community Improvement Commission of the City of Alameda ("Commission") is carrying out the Community Improvement Plan ("Plan") for the Business and Waterfront Improvement Project ("BWIP") by renovating the existing downtown historic Alameda Theater and providing for development of a new multi-plex cinema and public parking garage (collectively, the "Project"); and

WHEREAS, the City of Alameda ("City") is the owner of record of the public right-of-way and street commonly known as Central Avenue located adjacent to the Project; and

WHEREAS, the Commission and the City desire to reconfigure a portion of Central Avenue and the adjacent property currently owned by the Commission on which the Project will be located for the purpose of improving pedestrian and vehicular circulation, facilitating redevelopment of the Project and eliminating blight within the BWIP to serve the public needs, necessity and convenience; and

WHEREAS, to effectuate the abovementioned goal, the City must vacate a portion of the sidewalk located on the north side of Central Avenue, between Park Street and Oak Street, varying from 3" to 25" (only at the columns), as depicted and described on Exhibit "A" attached hereto ("Vacation Area"); and

WHEREAS, pursuant to Section 8334.5, summary vacation of a public right-of-way may not be completed until existing public utility facilities have been relocated; and

WHEREAS, the existing SBC utilities located under the Vacation Area have been relocated.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF ALAMEDA DOES HEREBY FIND AND RESOLVE AS FOLLOWS:

Section 1. Pursuant to Chapter 4, Section 8334(a) of the Streets and Highways Code, the Vacation Area qualifies for summary vacation as an excess right-of-way. The subject right-of-way is not required for street or highway purposes because the remaining portion of the sidewalk is adequate to accommodate pedestrian traffic.

Section 2. The vacation is for the benefit of the public at large. The City's purpose for vacating the Vacation Area is to effectuate the

Resolution #1-D
7-26-06 Joint Meeting

reconfiguration of the public right-of-way and the adjacent site in a manner that will improve pedestrian circulation and facilitate redevelopment of the Project, thereby achieving the redevelopment goals and objectives of the BWIP Plan.

Section 3. Subject to completion of the SBC utility facilities relocation, vacation of the Vacation Area depicted and described in Exhibit "A" is hereby approved pursuant to Sections 8334 and 8335 of the Streets and Highways Code.

Section 4. The City Clerk is hereby authorized to record this Resolution and the attached Exhibit "A" (subject to minor, technical changes that may be approved by the City Engineer and City Attorney) with the County Recorder of the County of Alameda upon receiving notification that relocation of the existing SBC public utility facilities has been completed.

Section 5. From and after the date this Resolution is recorded, the Vacation Area shall no longer constitute a right-of-way for public use as a street or highway or any other public right-of-way purposes.

* * * * *

EXHIBIT "A"
LEGAL DESCRIPTION
STREET ENCROACHMENT

ALL that certain real property situate in the City of Alameda, County of Alameda, State of California, described as follows:

BEING a portion of the Central Avenue right-of-way, being an 80 foot wide right-of-way, more particularly described as follows:

BEGINNING at the intersection of the southeasterly right-of-way line of Oak Street with the northeasterly right-of-way line of Central Avenue;

Thence along said right-of-way line of Central Avenue, South $60^{\circ}11'38''$ East 2.00 feet to the TRUE POINT OF BEGINNING;

Thence continuing along said right-of-way, South $60^{\circ}11'38''$ East 158.12 feet;

Thence leaving said right-of-way line, South $29^{\circ}48'22''$ West 0.25 feet;

Thence North $60^{\circ}11'38''$ West 98.62 feet;

Thence South $29^{\circ}48'22''$ West 1.83 feet;

Thence North $60^{\circ}11'38''$ West 7.00 feet;

Thence North $29^{\circ}48'22''$ East 0.12 feet;

Thence North $60^{\circ}11'38''$ West 34.33 feet;

Thence South $29^{\circ}48'22''$ West 0.12 feet;

Thence North $60^{\circ}11'38''$ West 8.50 feet;

Thence North $29^{\circ}48'22''$ East 1.83 feet;

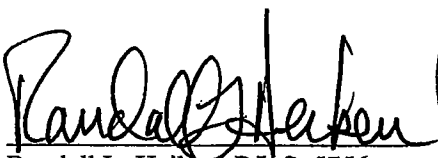
Thence North $60^{\circ}11'38''$ West 9.67 feet;

Thence North $29^{\circ}48'22''$ East 0.25 feet to the TRUE POINT OF BEGINNING.

Containing an area of 126.60 square feet, more or less.

A plat showing the above-described parcel is attached herein and made a part hereof as Exhibit "B".

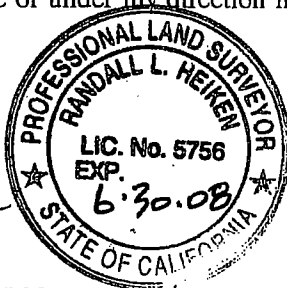
This description was prepared by me or under my direction in conformance with the Professional Land Surveyors Act



Randall L. Heiken, P.L.S. 5756

License Expires: 6-30-2008

K:\Main\2005\057019-50\legals\ST_ENCROACH.DOC



7.19.06
Dated:

ST_ENCROACH.txt

Parcel name: ST_ENCROACH

North: 465247.2988 East : 1496202.5716
Line Course: S 60-11-38 E Length: 158.12
North: 465168.7026 East : 1496339.7743
Line Course: S 29-48-22 W Length: 0.25
North: 465168.4857 East : 1496339.6500
Line Course: N 60-11-38 W Length: 98.62
North: 465217.5064 East : 1496254.0762
Line Course: S 29-48-22 W Length: 1.83
North: 465215.9185 East : 1496253.1666
Line Course: N 60-11-38 W Length: 7.00
North: 465219.3979 East : 1496247.0926
Line Course: N 29-48-22 E Length: 0.12
North: 465219.5021 East : 1496247.1522
Line Course: N 60-11-38 W Length: 34.33
North: 465236.5664 East : 1496217.3637
Line Course: S 29-48-22 W Length: 0.12
North: 465236.4622 East : 1496217.3040
Line Course: N 60-11-38 W Length: 8.50
North: 465240.6873 East : 1496209.9285
Line Course: N 29-48-22 E Length: 1.83
North: 465242.2752 East : 1496210.8381
Line Course: N 60-11-38 W Length: 9.67
North: 465247.0818 East : 1496202.4473
Line Course: N 29-48-22 E Length: 0.25
North: 465247.2988 East : 1496202.5716

Perimeter: 320.67 Area: 126.60 sq. ft. 0.00 acres

Mapcheck Closure - (Uses listed courses, radii, and deltas)

Error Closure: 0.0000 Course: S 75-57-50 W
Error North: -0.00000 East : -0.00000

Precision 1: 320,640,000.00



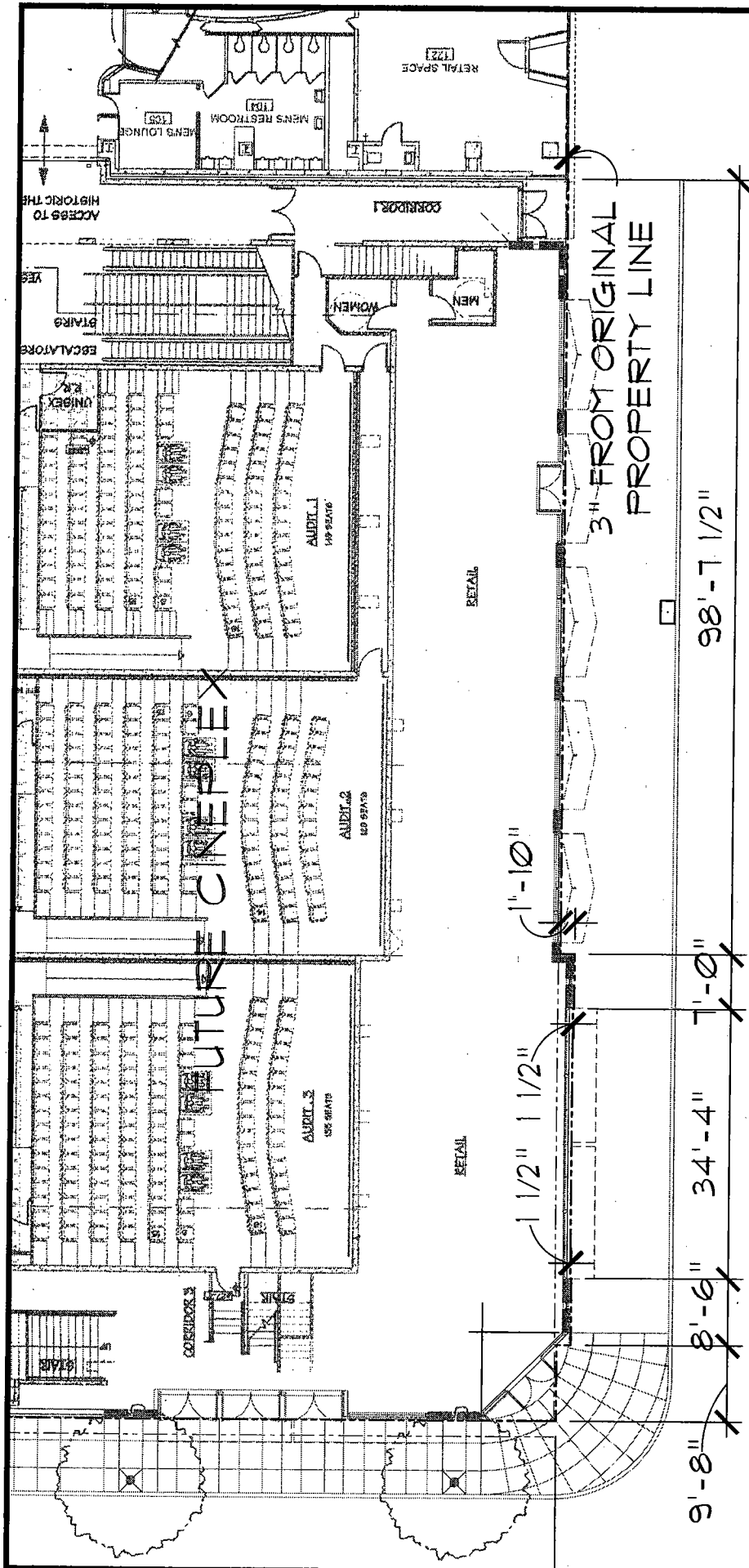


EXHIBIT A

CENTRAL AVENUE

ALAMEDA CINEPLEX AND
PARKING GARAGE
Central Ave. and Oak Street
City of Alameda, CA

EXHIBIT A
CENTRAL AVENUE
STREET VACATION DIAGRAM



KOMOROUS-TOWEY
ARCHITECTS

315 FOURTEENTH STREET
OAKLAND, CA 94612
PH: 510.446.2244 FX: 510.446.2242
kta@ktaarch.com www.ktaarch.com

I, the undersigned, hereby certify that the foregoing Resolution was duly and regularly adopted and passed by the City Council of the City of Alameda in a regular meeting of the City Council on the 26th day of July, 2006, by the following vote to wit:

AYES:

NOES:

ABSENT:

ABSTENTIONS:

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of said City this ____ day of July, 2006.

Lara Weisiger, City Clerk
City of Alameda

CITY OF ALAMEDA

MEMORANDUM

To: Honorable Chair and Members
of the Community Improvement Commission

From: Debra Kurita
City Manager

Date: July 26, 2006

Re: Authorization to Substitute Surety Bond for 2003 Merged Bond Issue Cash Reserve Account Consistent with Bond Indenture

Background

In December 2003 the CIC authorized the issuance of up to \$50 million in bonds leveraged upon the existing tax increment generated from the Merged Business and Waterfront Improvement Project (BWIP) and West End Community Improvement Project (WECIP). When ultimately sized, the gross bond proceeds were \$46,439,247, with net proceeds resulting in \$40,180,011. The bonds were sold to finance \$13,175,000 for the Marina Village infrastructure reimbursement, to retire a \$2 million loan from the General Fund to the WECIP project, and provide financing for the Downtown Parking Structure, Alameda Theater Project, the Bridgeside Shopping Center redevelopment and Park and Webster Streetscapes. Proceeds were ultimately used to fund a portion of the new Alameda Free Library as well. The final bond issue was actually a combination of three issues; two taxable and one tax exempt.

Discussion/Analysis

When bond issues are structured, they must meet certain federal tax requirements. One of those requirements is the maintenance of a debt service reserve fund. The requirement for this fund is that a reserve be maintained either in cash or by an acceptable substituting instrument, such as a Surety Bond, that is equal to the largest single year payment of the bond repayment schedule. This bond payment for the combined 2003 bond or the reserved fund balance is \$3,230,954. At the time the bond issue was structured it was determined that the CIC would maintain this reserve in cash rather than in a Surety Bond. Even though the CIC chose to maintain the reserve in cash, the bond indenture documents allow for the substitution of this cash deposit by a Surety Bond. A Surety Bond costs between 2 – 3 percent of the payment amount, and as a result would free up \$3,134,025 from the reserve account to be utilized for economic development activities consistent with the types of projects expressly listed in the 2003 merged issue; primarily economic development capital construction.

**Report 2
Special Joint CC/CIC Meeting
7-26-06**

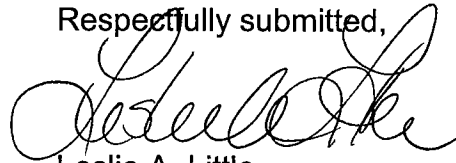
Fiscal Impact

None. The debt service reserve fund is \$3,230.954. The cost for the Surety Bond is 2–3 percent of the funds. The cost is deducted from the existing cash reserve thereby netting approximately \$3,134,025 for projects. There is no new impact to the General Fund or CIC tax increment.

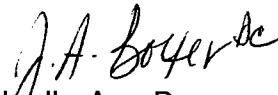
Recommendation

Authorize the substitution of a Surety Bond for the 2003 Merged Area Bond Issue Cash Reserve Account consistent with the bond indenture. Staff recommends that \$500,000 of the resulting \$3,134,025 be earmarked to the acquisition of the Historic Alameda Theater. The remainder could be released based upon CIC priorities.

Respectfully submitted,



Leslie A. Little
Development Services Director



Juelle-Ann Boyer
Chief Financial Officer

LAL:dc